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AUSTRIA "FULLY AWARE OF ITS OBLIGATIONS AS A NEUTRAL COUNTRY"; ADMITS U.N. OBSERVERS.

On December 4, the permanent Austrian delegate to the U.N., Ambassador Matsch, addressed the General Assembly on Austria's position both as a neutral country and as a neighbor of strife-torn Hungary. The Ambassador said:

"In the course of yesterday's debate it was said that Mr. Tibor von Eckhardt went to Austria from the United States in order to be nearer to Hungary. I am authorized to state that Mr. Eckhardt was not granted an Austrian visa and has not been in Vienna. Neither has Horthy Jr. nor Otto von Habsburg been in Austria. The latter is not even allowed to enter Austria, according to existing laws.

"It was further said that Mr. Ferenc Nagy, former Hungarian Prime Minister, some weeks ago made a tour of Austria to check the combat readiness of units, made up of Hungarian emigres, which were formed in Salzburg, Graz and Linz and prepared to be sent to Hungary. The truth is that Ferenc Nagy was in Vienna for only three hours, always accompanied during that time by Austrian officials. He had to leave Austria immediately because the Austrian authorities wished to avoid any complications which might arise because

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AUSTRIA VOTES FORTY-TWO-POWER-RESOLUTION ON HUNGARY, AMENDED TO INCLUDE AUSTRIAN PROPOSAL.

On December 11, when two draft resolutions on the Hungarian question, one sponsored by 20 powers including the U.S., the other by 4 Asian nations, were before the General Assembly, Austria introduced a third draft resolution incorporating the proposal that the Secretary General be authorized "immediately to undertake, with all his energy and all the means at his disposal, to achieve a constructive solution of the Hungarian problem, based on the principles of the Charter of the United Nations and, for this purpose, to enter into negotiations with Member States of the United Nations, as it seems appropriate to him."

When the 20 power-resolution was put to the vote the following day, it was amended to include, in its fifth paragraph, the substance of the Austrian draft resolution: "(The General Assembly) requests the Secretary General to take any initiative that he deems helpful, in relation to the Hungarian problem, in conformity with the principles of the charter and the resolutions of the General Assembly." Consequently, Austria did not ask for a vote on its own proposal and voted for the 20 power-resolution, which was carried by 55 votes to 8.

MERRY CHRISTMAS AND A HAPPY NEW YEAR



CHRISTMAS TIME IN AUSTRIA

RAAB REJECTS ALLEGATIONS CONCERNING ARMS SHIPMENTS TO HUNGARY.

In a recent radio address, Chancellor Julius Raab dealt with some of the accusations levelled against Austria by the Soviet Union in connection with developments in Hungary. To illustrate his remarks, the Chancellor cited the Soviet Foreign Minister's reference to an on-the-spot report by the Soviet journalists Shchogolev and Makovyev who claimed that they had found Austrian Gasser pistols in an arms cache of the "counterrevolutionaries" in Budapest. In actual fact, the Gasser Company terminated its production of revolvers (8 mm.) in 1917 and they are now to be found in museums or private collections. The company itself was transformed into the Rast & Gasser Company which now manufactures sewing machines. Moreover, ammunition for that type of pistol has not been produced for the past forty years.

The Chancellor added that the claim that the Austrian Legation in Budapest was being used as a distribution center for weapons was equally senseless.

SOVIET AGREES TO CURTAIL OIL SHIPMENTS FROM AUSTRIA.

At a recent meeting of the Austrian Cabinet, Chancellor Julius Raab reported on the negotiations held with the Soviet Embassy in an effort to ease the fuel-oil situation in Austria. He indicated that, as a result of these talks, the amount of crude oil to be supplied to the Soviet Union by Austria would be approximately 100,000 tons less than originally provided during the months of January to March, this deduction to be prorated over the three-month period. It was agreed that Austria would supply other products in the amount represented by that quantity of oil. As a result of the agreement, Austria's fuel-oil situation has been eased. The Soviets were requested to allow this relief measure to start taking effect in December.

Following the Chancellor, the Minister of Trade and Reconstruction reported to the Cabinet on the situation with respect to heating and power fuels. He pointed out that the 100,000-ton reduction in crude oil deliveries to the Soviets would not remove all difficulties because some sections of the economy, especially the sugar processing industry, still have to cover their full fuel requirements within the next few months. The Minister said that cutbacks would therefore be inevitable in some branches of industry.

NEW RECRUITS SWORN IN. According to an announcement by the Ministry of Defense, the soldiers of the class of 1937 who were called up on October 15, together with those who had volunteered, were sworn in under the Defense Law at a military ceremony on December 12.

Matsch's Statement (Continued from page 1)

of his presence. This fact was acknowledged by the representative of Hungary in his speech from this rostrum on 19 November.

"Furthermore, I am authorized to state that there are no organized military groups of Hungarian emigres in Austria.

"With reference to other previous allegations concerning shipments of arms from Austria, the Austrian Foreign Minister, in his speech of 22 November to the General Assembly, stated the following:

'The Austrian Government has not found a single case of such shipments having crossed the Austrian border into Hungary. These and similar allegations, from whichever side they may come, must therefore be rejected as unfounded.'

"Austria is fully aware of its obligations as a neutral country. It must be emphasized once more that such allegations in no way correspond to facts.

"The Press, too, on various occasions has published reports about alleged illegal activities of the Austrian Legation in Budapest. It was reported that Austrian officials in Budapest delivered arms to Hungarian rebels. With regard to this allegation, I am authorized to state that the Austrian Legation in Budapest, during the critical days from 27 October to 3 November, distributed food and medical supplies, sent by the Austrian Red Cross and other relief organizations, amounting to a total of 3.5 million Austrian schillings. The Hungarian Government has sent the following verbal note, dated November 23, to the Austrian Legation in Budapest:

'The Foreign Ministry of the Hungarian People's Republic, on behalf of the Hungarian Government and upon requests of the Hungarian Red Cross, conveys its thanks to the Austrian Legation for the highly humanitarian activities undertaken by the Legation in distributing the relief shipments of the Austrian Red Cross to wounded Hungarians and needy children in the most difficult days. The Hungarian Foreign Ministry is convinced that these acts performed by the Austrian Legation will never be forgotten by all the Hungarian people aided in this way''

Having thus refuted statements designed to cast doubt on Austria's neutrality, the Austrian delegation assumed a positive attitude on the proposal to send U.N. observers to Austria in order to interview Hungarian refugees and to gather first-hand impressions on the situation of refugees in Austria, as well as on the Hungarian situation in general. In a letter to the Secretary General, Ambassador Matsch said: "The Austrian Government will permit observers named by you to enter Austria. This permission is given as a consequence of Austria's United Nations membership and the provisions of Article 2, paragraph 5, of the Charter. The Austrian Government feels that United Nations observers would also be in a position to verify on the spot the situation of the refugees and the incorrectness of some reports concerning the conditions of refugees in Austria."

Addressing the General Assembly on December 10, the Austrian representative confirmed the Austrian government's position on the matter in the following terms:

"In its resolution of December 4, the General Assembly recommended 'that the Secretary-General arrange for the dispatch to Hungary, and other countries as appropriate, of observers named by him...' The General Assembly furthermore requests 'the Governments of all member-states to cooperate with the representatives named by the Secretary General.'

"In accordance with these provisions the Secretary-General has asked the Austrian Government if it would permit observers to enter Austria.

"The reply of my Government, Mr. President, to this letter has been in the affirmative. My Government feels that, by giving this permission, it is showing its willingness to cooperate in the spirit of the principles of the United Nations.

"The UN-observers will undoubtedly be able to gather first hand impressions of the situation of the Hungarian refugees. Their visit would offer the UN-observers the opportunity to see for themselves,

firstly, that reports containing some criticism of the treatment and conditions of refugees in Austria are incorrect. They will also be able,

secondly, to witness that the Austrian Government in cooperation with various relief organizations have done their utmost to care for and assist the refugees and
thirdly, to ascertain what I have said in my intervention on the 4th of December in this Assembly, that any refugee who wants to return to Hungary by his own free will, can do so any time.

"My Delegation is confident that such an activity of the UN-observers will help to verify the situation."

HUNGARIAN COMBATTANTS RELEASED FROM AUSTRIAN INTERNMENT.

Following an official statement from the Hungarian Legation that the fighting in Hungary could be considered as having terminated, there appeared to be no further grounds under international law for continued internment of the Hungarian combattants who had crossed the Austro-Hungarian border while still armed. Accordingly the internment camp at Siezenheim was disbanded on December 8, 1956. All of the persons who had been interned were interrogated in the presence of a representative of the international committee of the Red Cross as to whether they wished to return to Hungary or to seek political asylum in Austria. Those who expressed a desire to return to Hungary (90 out of 1,200 internees) were allowed to travel to the border on the night of December 7.

"SAVE THE CHILDREN" ORGANIZATION SERVES HUNGARIAN REFUGEE CHILDREN.

The aid stations of the Austrian "Save the Children" organization is confronted with a serious problem: nearly all of the babies who cross the border from Hungary are suffering from mild, or even serious, sleeping pill poisoning. Before being brought across many of the children, provided they have not already fallen asleep from over-fatigue, are drugged with Luminal tablets, since their crying can be a source of danger to entire families. But not all of the parents know how to handle these drugs properly. One small infant was given 10 Luminal tablets in her bottle and could be saved only because an English nurse, made suspicious by her recent experiences, brought the child to a doctor before stopping to wash her and with her blankets still frozen stiff. A small bus with the basic necessities -- hot water, bandages, vitamins -- is constantly on "patrol" along the border since the transit of refugees is not limited to isolated localities and many mothers are no longer capable of proceeding to the next village on foot.

Most of the organization's practical work -- which is directed by Professor Kundratitz, director of Vienna University's Pediatric Clinic -- is carried out by an international staff of physicians who were recruited from volunteers from several countries. Tens of thousands of children have already been helped by the organization's own reception stations for mothers and children. Only thirteen of them came alone, most of the others being accompanied either by their mothers or often by their entire families. A "Save the Children" sponsorship for a period of three months, has already been arranged for 1,000 children and a similar program is contemplated for another 1,000.

140,000 REFUGEES FROM HUNGARY; VICE PRESIDENT NIXON STUDIES SITUATION ON-THE-SPOT. The total of Hungarian refugees who have crossed the Austrian border has reached about 140,000, roughly 10,000 of which, it is estimated, did not go through the usual registration procedure. It is expected that from 80,000 to 85,000 refugees will have left Austria for various destinations in Europe and overseas by the end of this year. The stream of newcomers, on the other hand, having slowed down somewhat, still brings about 1000 refugees a day to Austria.

It is in order to study this situation at first hand that Vice President Nixon has gone to Vienna. It is widely hoped that his visit will do much to expedite relief measures undertaken by various American agencies.

SECRETARY GENERAL OF THE OEEC IN VIENNA. René Sergent, Secretary General of the Organization for European Economic Cooperation (OEEC) arrived in Vienna on December 10 for an official visit with Vice Chancellor Schaerf, Foreign Minister Figl and Minister of Trade Bock. The subject of their discussions was the position of Austria within the OEEC as well as the projected European free trade zone.

AUSTRIAN CHAMBER OF COMMERCE FAVORS EUROPEAN FREE TRADE AREA.

The Economic Policy Committee of the national section of the Austrian Chamber of Commerce recently considered the question of possible Austrian participation in a European free-trade zone or customs union. The unanimous view expressed in the Committee's discussions was that Austria should cooperate actively in the establishment of such a zone or union. A spokesman of the Ministry of Trade, in a basic policy speech, declared that a study group made up of members from all the OEEC countries was making a thorough survey of the problems involved and would report to the OEEC's Council of Ministers by the end of the year. It can be assumed that the six nations comprising the European Coal and Steel Pool (the Benelux countries, France, Italy and West Germany) will join a customs union which it is planned to set up in stages over the next twelve to fifteen years. The other European countries would probably participate in these efforts to establish a single market within a free trade and customs-free zone. At the present stage of planning, no agreement has yet been reached as to the extent to which farm produce would be included in such an arrangement. Another question concerns the inclusion of the overseas territories of European states in the joint market.

AUSTRIA PARTICIPATES IN JOINT EUROPEAN CURRENCY ACTION; PLANS ISSUE OF GOLD COINS.

Finance Minister Kamitz recently declared that disruptive influences on prices and wages in Austria were currently much less pronounced than in the other countries of Western Europe. He said that although the cost-of-living index had been marked by a rising trend since 1953, boom conditions were still resulting in inevitable price conflicts, which are nevertheless not serious enough to justify concern. He added that the entire free world was confronted by similar problems and that action was being undertaken on an international scale to establish coordination for the major problems. In the realization that a single country could not in the final analysis guarantee the stability of its own economy, joint action was being set up to stabilize European currencies. One aspect of such action was to hold in check the side effects of boom conditions in order that currencies may not be in danger. Dr. Kamitz reported that the quotation of the Austrian schilling in Zurich was among the highest for any European currency. He also indicated that the Austrian National Bank was planning to issue gold coins.

SLIGHT RISE IN PRICE LEVEL. During November there was a slight increase in the level of wholesale and retail prices in Austria. As compared with October, the index of wholesale prices rose by 0.2 per cent. In foodstuffs and luxury foods, wheat and rye became more expensive but there was no change in the corresponding partial index. In industrial products, a decrease in the price of wool was offset by increases in the price of flax, jute, rubber, copper and tin, so that the corresponding group index rose by 0.2 per cent. Since the beginning of the year, wholesale prices have registered an average over-all increase of 5.1 per cent.

In November, the retail-price index rose by 0.4 per cent and since the beginning of the year, retail prices have risen an average of 3.1 per cent.

AUSTRIA'S INTERNAL BONDED DEBT. The schilling equivalent of the Foreign Currency Loans issued by the Federal Austrian Republic prior to 1938, calculated at the current rate of exchange (approx. 25 schillings to one dollar), is somewhat more than a billion schillings. The resumption of full service was undertaken in accordance with the recommendations of the Austrian Prewar Debt Conference at Rome in 1952. Obligations for the payment of interest during the period March 13, 1938 to May 8, 1945, are the responsibility of the German Federal Republic and were recognized by her at the London Debt Conference. The plan for making the back payments, spread over a number of years, has already gone into effect.

The value of the amounts outstanding of loans issued since May 8, 1945 by the Austrian Federal Republic is estimated to have been about 2.5 billion schillings at the end of last year. Excluded from this figure is money market paper (Treasury bills and certificates) not in the hands of the public. The indebtedness of the Federal Republic of Austria, in the form of bonded loans, may be estimated at something upward of 3.5 billion schillings which works out at about 500 schillings per capita of the population.

The Schilling Loan issued by the Austrian Federal Republic since the end of the War are as follows (the debt obligations of the Austrian Republic in connection with the Power Loans issued in 1953 by the Electricity Corporation in the amount of 212 million schillings are not included in this listing):

EXPANSION OF FOREIGN TRADE VOLUME. Although there was a further increase in exports during October, exceeding as it did the 2-billion-schilling mark for the first time (the Austrian schilling is currently quoted at approximately 25 to the dollar), the latest monthly report of the Austrian Statistical Office indicates that the favorable development during the preceding month had not been continued. The fact is that the rise in exports was offset by a considerably greater increase in imports, and the favorable September balance of trade was transformed into a deficit of 380 million schillings during Oct.

Imports during October, in the value of 2,424 million schillings, exceeded the previous high of July 1956 by 33 million. As compared with September, imports rose by 445 million schillings. The increase mostly involved finished goods, the import value of which went up by 237 million schillings over the September figure to a total of 932 million, thereby topping the previous peak of December 1955 by 29 million schillings.

On the export side of the ledger, the previous month's record was passed, having risen by 47 million to a total of 2,044 million schillings. The rising trend in exports of semi-finished goods observable in recent months continued unchanged during the month covered by the report. Proceeds from this type of merchandise, in the amount of 563 million schillings, were 65 million schillings higher than the previous maximum. The increases in iron and steel exports were especially pronounced, i.e. by 40 million to 365 million schillings. There was a 5-million-schilling decrease in the export of finished products. As compared with September, exports of raw materials decreased by 15 million schillings since a 21-million-schilling decline in wood exports was only partially compensated by large-scale deliveries of skins, hides and magnesite.

During the first ten months of 1956 imports, in the amount of 20.8 billion schillings, were 12 per cent higher than in the comparable period of 1955, whereas exports increased by as much as 23 per cent to a total of 18.1 billion. Accordingly, the foreign trade deficit decreased from 3.8 billion to 2.7 billion schillings over the two periods reviewed.

The rise in imports between September and October mainly affected trade with the OEEC countries, also the principal factors in increased exports. As against this, there was a slight decline in exportation to Eastern Europe and to the sterling areas not belonging to the OEEC.

	Amount Issued	Estimated Outstanding	Quotations		Maturity	Yield Calculated to Maturity
			End 1955	Present		
	in million schillings		%			%
2% Federal Bonds 1947*)	1,940	1,111	79.75	83.25	1964	5.27*)
5% Reconstruction Loan 1949	325	277	95.—	86.40	1974	6.66
7% Opera Loan 1953	35	35	105.—	102.—	1961	6.43
5 1/4% Opera Loan 1954	45	45	100.—	96.—	1961	6.65
6% Federal Railways Loan 1954**)	600	600	100.—	100.—	1962	6.—
4% Federal Bonds 1955*)	300	***)	92.—	90.—	1964	5.83*)

*) The 2% Loan may be applied to the payment of Austrian Property Tax, the 4% Loan to the payment of Austrian Income Tax, with 100% validity. This feature tends to raise prices and to produce a lower than normal yield.

**) Smallest denomination 100,000.— schillings. This Loan is not in the hands of the public.

***) Issue not yet fully subscribed.

AUSTRIAN BANKING REPORTED SOUND. Austria's major credit institution, the Creditanstalt-Bankverein, has now published its profit and loss statement for 1955. A spokesman of the organization emphasized at a press conference that the reconstructed balance sheet marked the formal termination of one of the most difficult periods in Austrian banking. The bank's own funds shown in the reconstructed balance sheet in the amount of 382 million schillings (the Austrian schilling is currently quoted at approximately 25 to the dollar -- Ed.), was increased by approximately 650 million schillings to a total of 1.03 billion schillings as a result of revaluation under the Schilling Revaluation Law. The reconstructed balance and the revaluated-schilling balance must be considered as a single unit, the total figure for which shows that in its structure the Creditanstalt covers all kinds of banking activities. The bank not only increased its credit transactions but also, as a result of the liberalization policy, increased its foreign exchange and overseas transactions. Thanks to the improvement in the conditions on the capital market, there was an expansion of dealings in securities, the bank having made large numbers of its own holdings available to the public in 1955. Savings deposits exhibited a satisfactory upward trend and as of December 31, 1955, a total of 4.88 billion schillings in depositors' funds had been entrusted to the bank. Issuance of new mortgages brought the figure for mortgage transactions to 291.2 billion schillings.

A study of the over-all credit situation shows that the Creditanstalt is, above all else an institution for large-scale loans. Of the total monies loaned, 84.1 per cent of the loans exceeded 1 million schillings, while 61 per cent were for more than 5 million schillings (!) but only 1.2 per cent of the loans were for amounts under 50,000 schillings. As regards duration, loans with a 3-month term or less were in the majority, i.e. 76.6 per cent and only 4 per cent of the total credit granted was for loans exceeding one year.

The profit and loss statement for fiscal 1955 shows revenues of 398 million schillings and a net profit of 31 million schillings. Under the expenditures, the major entries were for personnel (95 million), taxes and duties (91 million) and allocation to pension reserves (69 million). At the stockholders' meeting it was decided to pay a dividend of 6 per cent on the new capital stock.

Following publication of the Creditanstalt statement, the Oesterreichische Laenderbank published its reconstructed balance sheet together with its statement for fiscal 1955. A comparison of these balance sheets, in the light of the situation at the end of the war and remembering the changes in currency values, provides an impressive picture not only of the development of the Laenderbank but of the Austrian economy as a whole. The losses which the Laenderbank had to bear as a consequence of the war were covered entirely from its own resources. In the reconstructed balance sheet the bank's own resources are shown as amounting to approximately 168.5 million schillings. At the close of business on December 31, 1954, the bank's liquid assets were 53.8 per cent of total holdings. The 1955 balance sheet shows Laenderbank-owned funds in the amount of 502 million schillings, as against 3.6 billion owned by depositors. According to international standards, this is an extremely favorable ratio.

NEW AUSTRIAN BANKNOTES. The Austrian National Bank recently issued new twenty-schilling notes which are to be the first in a series of banknotes in the same format. The new currency, which has the same form as the ten-schilling notes, features a portrait of the Austrian chemist Auer von Welsbach and the national coat of arms on the front side and the Carinthian shrine of Maria Rain on the reverse. A spokesman of the bank said that within the next eight years all the notes of the series now in circulation would be replaced. There will be only two types of bills in the new series: one for the 10-schilling, 20-schilling and 50-schilling denominations and another for those of 100, 500 and 1,000 schillings. All of these notes will fit into the normal wallet without having to be folded, which is not the case with those now in use.

The National Bank has developed a completely new process for printing banknotes, which brings the production cost for a single bill down to 30 groschen, i.e. to about 1 cent.

Counterfeiting of the new notes is practically impossible. All the bills in the new issue will picture an outstanding Austrian on the front side and a city or rural scene on the reverse. The twenty-schilling note is of a brownish color. The other notes in the series, to be issued over the next few years, will not be different in format but will differ from one another markedly in color.

INCREASE IN RAILROAD TRACK SALES ABROAD. Following its sale of 14,500 tons of railroad track to the Spanish State Railroads, the Austrian Alpine-Montan Company has now negotiated another large-scale order for 8,315 tons of track, representing a value of approximately 28 million schillings -- a little over a million dollars -- for delivery in 1957. Thanks to installation of a new roll train at Donawitz, the Alpine Company has been able substantially to increase its track sales abroad.

In the first half of 1956 a total of 24,000 tons of railroad track, or 60 million schillings worth, was exported, this amount being almost the equivalent of the export figure for all of 1955 (25,000 tons, worth approximately 57 million schillings).

The principal foreign buyers of Alpine-Montan track are Spain, the Swiss Federal Railroads, overseas countries like Chile and South Africa as well as privately-owned railroad companies which have been ordering track from Alpine for a long time.

FIFTY PER CENT INCREASE IN EXPORTS TO CANADA. According to a report by the Austrian trade representative of the Chamber of Commerce and Industry at Toronto, Austrian exports to Canada between January 1 -- August 31, 1956, amounted to nearly 3 million dollars compared with less than 2 million in the comparable period of 1955.

BREAD CEREALS ON HAND UNTIL MAY 1957. On the basis of current stocks, the Austrian food supply appears to be well under control. At the present time, approximately 300,000 tons of bread cereals are stored in warehouses, enough to last until May 1957. Beef requirements are now being met entirely from domestic sources. Imports are still necessary in the case of pork.

AUSTRIA'S LARGEST POWER PROJECT INAUGURATED.

The southern lock of the new twin sluiceway forming the working canal of the Ybbs-Persenbeug Danube Power Plant was recently opened to navigation. When completed the Ybbs-Persenbeug unit will be the largest power-producing installation in Austria and one of the biggest in Europe. The annual flow will be approximately 55 billion cubic meters.

On an excursion arranged for the press it was announced that the cascade of water over the dam was enough to generate 1,274 million KWH of power, 43 per cent of which would represent highly valuable winter current.

Among the construction projects scheduled for Ybbs-Persenbeug are the following: a 330-ft. southern power plant on the right bank, featuring three power units (turbines and generators); a 600-ft. dam with five openings, connected with the 330-ft. north power plant on the left bank, which links up with the twin sluiceway. The southern power plant has been 85 to 90 per cent completed. Until now the water of the Danube has been flowing through the 100-ft. wide weir channels Nos. 1 and 2, which were completed over the past two years and which are later to be closed off by iron sluiceboards thereby damming the water.

However, since the rate of flow through these channels is too rapid for shipping, a gap of about 300 feet has been left open. In the period between December and February when the water level is low this gap will be filled from the northern power plant. For this reason the plant administration was anxious to have the lock ready for operation before the winter so that ships could proceed through it without difficulty. The lock is 80 feet wide and has a usable length of 750 feet. It can accommodate a tug and four barges coupled in pairs, each with a capacity of 1,200 tons. The northern lock, which will be completed by March 1957, will be able to handle the same tonnage.

During the past year and a half more than 18,000,000 cubic feet of concrete have been used in the construction of the Ybbs-Persenbeug plant the total cost for which has been estimated at 100,000,000 dollars. The six power units have a total weight of 6,000 tons. Construction of the fifth channel of the northern power plant and the northern lock will probably extend until the spring of 1958, although it will be possible to complete the total damming of the Danube as early as the fall of 1957.

INTERNATIONAL DEMAND FOR AUSTRIAN TEXTILES.

On the basis of available figures for Austrian textile exports for the period between January and September 1956, and considering the normal seasonal rise in demand during the late fall, total textile exports for this year are expected to reach the two-billion-schilling mark (the Austrian schilling is currently quoted at approximately 25 to the dollar). This total will be approximately 25 per cent higher than that for 1955. The increase in exports is attributable above all to intensified foreign demand for knitted and embroidered goods, cotton and rayon fabrics, handkerchiefs and scarves. Substantial export increases were registered in wool, rayon and linen yarns, whereas trading in cotton yarn was weak. To be sure, this increase in exports was counterbalanced by a substan-

tial rise in imports. If the experts are right in their estimates for the last quarter, Austrian textile imports for the present year can be expected to reach a value of 1.7 billion schillings, or 21 per cent higher than 1955. During the first three quarters of 1956, imports of cotton, wool, silk-cotton mixtures and decorating fabrics were higher than average. Nevertheless, the trend of foreign trade in textiles has demonstrated the ability of Austrian products to compete in quality and style on the world market.

THEY MAY LIKE PARIS, LONDON, AND ROME...BUT THEY STAY LONGEST IN VIENNA.

The number of foreign tourists in Vienna during the summer season was 312,760, or three times the number of winter visitors according to the 1955/56 figures. The same source shows that there were 1,001,888 overnight accommodations during the summer, which was two-and-a-half times the winter figure. The total number of foreign guests in Austria, i.e. 667,557, was almost fifty per cent higher than the figure for 1938 (458,800). On the other hand, the 1,936,806 overnight accommodations registered was still about one million less than for 1936/37 (2,966,100). Despite these difficulties, Vienna, with its average 3-1/3-day stay for foreign guests has the highest average among the major European cities, none of which exceeds the 3-day limit.

There has also been a basic shift with respect to the country of origin of the foreign visitors. Before the war 70,000 came to Vienna annually from Czechoslovakia, 38,000 from Hungary, 24,000 from Poland and 15,000 from Rumania. Today, however, the major contingent, i.e. 85,037, came from West Germany, about double the pre-war figure for that country: 58,873 came from the United States (as against 22,909, inclusive of Canada, in 1936/37); 32,556 came from Italy (double the earlier figure); the number from Great Britain was approximately the same as for the pre-war years, i.e. 29,057; and 27,353 visitors arrived from France.

90 PER CENT INCREASE IN LOWER AUSTRIAN FOREIGN TOURIST TRADE.

At a recent meeting of the Lower Austrian Tourist Trade Association, a spokesman of the Land government pointed out that for the three summer months of 1956, the number of overnight-accommodations provided was 20 percent higher than in the previous year. The number of overnight accommodations for foreign tourists increased by 90 per cent. This extraordinary rate of increase is due to the fact that until last year Lower Austria was part of the Soviet zone of occupation, and was not favored by foreign tourists.

EXCELLENT ATTENDANCE AT "SPANISH RIDING SCHOOL."

During the first year of its return to Vienna, a total of 136,900 visitors have attended the performances of the "Spanish Riding School," an institution which continues the traditions of the school of equestrian art founded by Emperor Charles VI in 1735. After World War One, the School's stable of "Lippizaner" stud horses was divided and those left with Austria were transferred to Styria, where breeding of the stock is still carried on. Young "Lippizaners" not required by the "Spanish Riding School" are sold abroad.

CULTURE AND SCIENCE

"CALL TO FREEDOM." A full-length TV-feature on Austria, Call to Freedom, will make its first appearance on NBC-Television (Channel 4) on January 7, 1957, in the series "Producer's Showcase." The film gives a sweeping review of Austrian history and concludes with the Big Four putting their signature to the State Treaty. The sound track, whose keynote has been provided by the chords of Beethoven's "Fidelio," was produced at the reopening of the Vienna State Opera in November 1955.

THE VIENNA CHOIR BOYS APPEAR IN THE U.S. Between December 9, 1956, and April 2, 1957, the Vienna Choir Boys, already no strangers to the American public, are giving some 50 performances in the U.S. and in Canada. On December 23, they are scheduled to appear at the St. Thomas Church in New York City as well as on the Steve Allen-TV Show.

NEW YORK SCHIELE-EXHIBIT TO INCLUDE WORKS RECENTLY SHOWN IN BERN, SWITZERLAND. The recent exhibition of the work of Egon Schiele, the Austrian artist, in the Swiss capital was the most comprehensive shown outside of Austria so far. The better part of this exhibition, supplemented by a number of important pictures contributed by American collectors, will be shown at the Galerie St. Etienne in New York between January 12 and February 9, 1957 (see our issue of December 8, Ed.) The showing will comprise of 50 water colors and drawings covering the entire range of the Austrian expressionist's creative period between 1910, when he left the Vienna academy, and 1918, when he died at the age of 28.

CARL SCHURICHT AWARDED BRUCKNER-MEDAL BY AMERICAN BRUCKNER SOCIETY. Mr. Robert G. Grey, executive secretary of the American Bruckner Society, handed the society's Bruckner Medal to Carl Schuricht, conductor of the Vienna Philharmonic during the orchestra's American tour, at a ceremony at the Mannes College of Music in New York. In a short address Mr. Grey referred to "the inspired performances of Bruckner's Seventh by the Vienna Philharmonic under the direction of Professor Schuricht" and expressed the hope that at a subsequent visit Bruckner will again be performed by the orchestra and its conductor.

CLEVELAND ORCHESTRA GOING TO VIENNA. The six-week European tour of the Cleveland Orchestra under its permanent conductor George Szell, scheduled for this spring, will include a number of appearances in Austria. Each of the orchestra's programs will include a composition by a contemporary American composer and Robert Shaw, director of the famous Shaw Chorale, will conduct some of the concerts. The Cleveland orchestra's Vienna concert will take place in June.

BOSTON ORCHESTRA HONORED BY VIENNA MOZART SOCIETY. The Academy of Sciences in Vienna recently organized a Mozart matinee in honor of the new winners of the Vienna Mozart Society's Mozart Medal. The medal was awarded to four foreign organizations: the Association française des amis de Mozart, the Boston Symphony Orchestra, the Comune di Milano and the Deutsche Grammophongesellschaft.

INTERNATIONAL SCHUBERT FESTIVAL IN 1958. Applications have already been received from 1,000 United States singers to participate in the international song festival to be held in Vienna from July 17-20, 1958, in commemoration of the 135th anniversary of the death of Franz Schubert. Many applications have also been received from choral organizations, specifically from the Netherlands, Finland and Switzerland.

HUNGARIAN ARTISTS IN VIENNA. The stream of refugees has brought to Vienna a number of well-known Hungarian artists. It was particularly joyous to know that among them was Georg Littasy, the famous basso of the Budapest State Opera, who is considered the best European Sarastro for Mozart's "Magic Flute." He came with his wife and seven children. Already more than one hundred well-known entertainers from the Opera, theater and film worlds have come to Austria from Hungary. Among the most prominent are two dancers of the Budapest Opera, the prima ballerina Gabriela Lakatos and Dora Csilady and another member of the same company, the singer Margit Szilvassy, also arrived. Josef Juhasz, the character actor of the Hungarian National Theater, was personally met at the border by Attila Hoerbiger, a star of the Vienna Burgtheater. The actress, Eva Adam, is already appearing at the Theater in der Josefstadt in "Camille." Her husband, Georg Koevary, a popular writer and emcee is also appearing in Vienna. Among some of the other Hungarian artists are: Tibor Molnar, film actor; his wife Ilona Nagykovacs, a popular singer, and the following who are also singers -- Vally Racz, Mihaly Bogati, Sandor Banaty, Istvan Koszo and Eva Palfalvi. All of these intend to look for engagements in Austria.

800TH ANNIVERSARY OF MARIAZELL SHRINE. Preparations are going forward in Mariazell, Styria, for the year of religious celebration which will mark the 800th anniversary of the founding of the Mariazell shrine. This shrine was originally established in 1156 when a statue of the Virgin attributed with miraculous powers was brought to Styria by a pilgrim monk. Since then it has become the holiest place of pilgrimage of the Roman Catholic peoples of the Danube lands. In times of suffering and persecution, the Catholics of Hungary, Czechoslovakia and neighboring countries have brought their troubles and their devotion to the feet of the Virgin of Mariazell, known in Austria as the Magna Mater Austriae.

The history of Mariazell is very closely bound to that of western Christendom. From the time the shrine was founded, Austrian Emperors, in times of great danger from eastern invasion, led great processions to the shrine. Such was the case during the great siege of Vienna by the Turks.

When the Russians left Austria in 1955, the coin struck

in celebration bore the image of the Magna Mater Austriae on one side and depicted the shrine on the other.

ST. STEPHEN'S CATHEDRAL TO GET NEW ORGAN. Construction work has now been started at St. Stephen's Cathedral in Vienna on the huge new organ which will be first heard at Christmastime in 1959. When completed, the mammoth "voice of St. Stephen's" will be one of the largest organs in Europe. A model of the new instrument is now on display in the left nave aisle.

The organ will have 125 stops and a total of 10,000 pipes, controlled from foot pedals and four manuals. The largest pipe, the C pipe, will have a diameter of approximately 15 inches and a length of 37½ feet and will weigh 660 lbs. The steel structure on which the organ will be mounted has already been erected; this mounting alone weighs 11 tons. Next spring the steel will be panelled with wood.

EXPENSES UP FOR AUSTRIA'S "STANDING-ROOM-ONLY" STATE-RUN THEATERS. During the recent budget debate in the Austrian Parliament, attention was drawn to the mounting deficit of the Austrian State Theaters, one of the few items on the budget for which Austrian taxpayers — and parliamentarians who keep their ears to the ground — have a soft spot. Among the reasons given for the more than 2-million-dollar rise in allocation over the current budget were increased labor costs along with the high-priced Vienna Opera talent, for example, for which the Opera must compete with such high bidders as the New York Metropolitan. One Member of Par-

liament drew attention to the fact that the return of the Burgtheater and the Opera to their original quarters on the Ringstrasse had resulted in increased expenditures for both institutions. The speaker pointed out in this connection that Austria boasts the most modern theaters in the world and theaters of that type require larger staffs of trained technicians. With its 2,200 employees, the Austrian State Theater Administration constitutes the world's largest theatrical concern. An extra 350 employees were necessary after the return of the Burgtheater and the Opera to the Ringstrasse. Austria is the only country in the world where four state theaters play ten months of every year. On the average, each Austrian citizen contributes in taxes nearly one dollar annually for the State Theaters.

Heretofore the highest fee paid by the Vienna State Opera for a one-evening performance was 4,200 schillings. In the future, however, the company must count on paying a maximum fee of 6,000 schillings (about 250 dollars).

Since 1952 the rate of attendance at the State Theaters has been rising steadily. On paper it amounts to about 90 to 95 per cent of capacity, but actually the theaters are sold out every day. Vienna has the lowest theater prices in the whole free world since, by the wish of Parliament, they are kept low. The number of subscribers has risen from 18,000 to 35,718, such subscribers enjoying a 20 per cent reduction on their tickets. The speaker voiced the idea that the theaters should continue to operate during the summer tourist season but that the prices of certain types of seats should be raised.

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